



Shared Services

Report of the Leaders of South Cambridgeshire District Council and Huntingdonshire District Council.

1. Purpose

- 1.1 Cambridge City Council, Huntingdonshire and South Cambridgeshire all made decisions in July 2014 to work in partnership to deliver shared services. A project to set up a shared Building Control Service is being progressed and a number of options were also reported to Cabinet in July 2014. Recommendations and findings from work on these options are detailed below.

2. Recommendations

- a) Agree to the formation of a Shared Building Control Service between South Cambridgeshire and Huntingdonshire District Councils; and that South Cambridgeshire should be the Lead Authority for this phase of implementation.
- b) Give delegated authority to the Corporate Director (Delivery), in consultation with the Portfolio Holder for Planning and Housing Strategy, to implement a Building Control Shared Service between South Cambridgeshire and Huntingdonshire Councils.
- c) Note the intended use of the Transformation Challenge Award to fund short term costs necessary to implement the shared Building Control service as determined by the Shared Service Board.
- d) Agree the approach set out under Option 1 below A to underpin the further development of a Building Control Shared Service between South Cambridgeshire and Huntingdonshire District Councils.
- e) Agree to progress a business case with Cambridge City to move towards a shared Building Control Service involving all three Councils. This will be reported to the three Councils in Spring 2015.
- f) Agree that South Cambridgeshire District Council, as lead authority, attend the Shadow Regional Board for Building Control, on behalf of Huntingdonshire and Cambridge City, in order to explore potential for a regional partnership. Any future such organisational arrangements to be by mutual agreement of both South Cambridgeshire and Huntingdonshire Councils (and also Cambridge City if they are involved in the Shared Service).

3. Findings from work on the Options reported to Cabinet in July 2014

Option 1: To develop a business case for a shared Local Authority Building Control Service between South Cambridgeshire and Huntingdonshire District Councils.

- 3.1 Our report to Cabinet in July 2014 identified that Huntingdonshire and South Cambridgeshire have commonalities in service delivery and culture and both have drive and enthusiasm to deliver high quality and efficient services.

- 3.2 Our work on the business case has explored the benefits and viability of the Shared Service between both Councils, including identifying any potential savings and income opportunities. It has considered service characteristics, including case work: fee and non fee, location of work and growth potential, impact of the Approved Inspector market, performance, accommodation and service support requirements such as IT.
- 3.3 The existing shared budget for both services is approximately £980,000. Our work has indicated that an estimated annual saving of in excess of £100,000 can be achieved by bringing these two services together.
- 3.4 The business case has been developed on a Lead Authority model which was approved by Cabinet in October 2014. It is recommended that South Cambridgeshire takes the role of lead authority for phase 1 of the shared service.
- 3.5 On comparing all aspects considered as part of the business case there were no compelling financial or operational arguments which pointed to a different decision regarding Lead Authority. Both Authorities currently have a similar profile of work and performance.
- 3.6 The other strong driver for the business case is resilience; the Building Control Service is difficult to recruit to from a relatively limited market of surveyors. This combined with competition from the private sector makes it increasingly difficult for smaller sized Local Authority Building Control services to deliver and reduction in quality of service is a risk. This shared service would provide the opportunity to provide a larger more sustainable service, enabling it to compete more effectively in the market. Our ambition is to increase resilience, invest in our staff and strengthen our service offer. Coupled with an effective marketing strategy, our work has indicated this will generate an additional £60,000 per annum in income.
- 3.7 As part of the business case work we mapped current work for both services and the growth sites identified in local plans. This indicated that the majority of work was located around the existing offices and did not present a compelling case for the location to be at either of the existing offices at Cambourne or Eastfield House. Both offices also provide sufficient accommodation to provide for the service operational needs.
- 3.8 It makes sense for the Shared Service to be located at one office to minimise overhead costs and it would be sensible to align the accommodation with the lead authority. However this decision needs to be made in light of other accommodation priorities associated with other pending Shared Service decisions. This includes the decisions as to whether Cambridge City joins the shared service.
- 3.9 As other Shared Service work between the three authorities has gathered momentum, we have developed our discussions with Cambridge City regarding joining the Building Control Shared Service. This includes work to prepare a detailed business case with Cambridge City, with a recommendation to Cabinets in April 2015. As part of this work we will test whether our recommendations on Lead Authority and location need to be revisited.
- 3.10 To ensure that we keep momentum we are recommending a two stage approach which involves setting up a shared service for Huntingdonshire and South Cambridgeshire first (Phase 1) and then including Cambridge City in Spring 2015 following the relevant decisions.

- 3.11 The business case for Phase 1 as a stand alone shared service stands up on its own, however we do think there would be other considerable benefits resulting from the City joining the Shared Service, including potentially generating more savings and service resiliency.
- 3.12 For Phase 1 we are proposing that staff continue to work from their existing offices and meanwhile we strengthen leadership and processes to build resiliency by co-ordinating service delivery across both teams.
- 3.13 We will also move towards a shared IT platform and maximise use of our existing technologies to enable surveyors to develop a consistent approach to mobile working including use of IT hubs to service our more remote areas. The shared platform in particular will enable us to embed a more efficient way of working pending the decision about Cambridge City joining.
- 3.14 The proposed shaping and supporting principals in Appendix B will ensure that we take a consistent approach to driving forward the implementation of the Shared Building Control Service
- 3.15 The general approach to recharging and sharing savings for Shared Services approved by Cabinet in October 2014 is *“a service by service approach based in the first instance on the budget of each service incorporated whilst also ensuring that appropriate efficiency targets are built in for each Council. “ and “ Once the shared service is created, we will need to ensure a more sophisticated approach by which each authority can determine the performance required and target potential efficiencies appropriately.”*
- 3.16 We will consider savings and recharges as part of the business case process with the City. Our recommendations will be reported to Cabinet in Spring 2015.

Option 2: For the business case to include a viability assessment of the IT solution developed by South Norfolk District Council

- 3.17 We have undertaken considerable work with South Norfolk to explore the viability of adopting their IT solution. The premise of this offer and business case was based on a regional partnership with a number of other authorities joining as shared service.
- 3.18 The Eastern Region Partnership has however not yet been formally set up and there is not a clear set of objectives which all partners have shaped and signed up to. To sign up to a potential partnership in isolation would represent a risk to our authorities as we are not in a position to fully assess the benefits or associated implications.
- 3.19 It is also our view that the benefits & performance of the IT solution are also intrinsically linked to the partnership offer and therefore cannot be fully achieved or assessed. As such we would recommend that we do not commit to the South Norfolk IT solution or Eastern Region partnership at this time.
- 3.20 A shadow partnership board is now being set up by the DCLG to shape the Regional partnership, we would recommend as lead authority South Cambridgeshire attends the Shadow Board. Its role will be to explore any potential benefits for any collaboration with Eastern Councils for our Shared Service and report to Cabinets in due course.

Option 3: To work with interested local authorities from Cambridgeshire and Bedfordshire to develop a proposal for a Local Authority Building Control cluster to operate within a regional network supported by South Norfolk District Council

- 3.21 Given our recommended stance on the Eastern Region Partnership and the impetus Corporately from all three authorities at Cambridge City, Huntingdonshire and South Cambridgeshire Councils with regards to taking forward Shared Services, we would recommend that our resources are prioritised to setting up a robust and sustainable Building Control Shared Service between Huntingdonshire and South Cambridgeshire Councils and potentially also Cambridge City.
- 3.22 We will continue to liaise with other local authorities including at the Shadow board and also through the Local Authority Building Control partnership (LABC) at officer level.

Option 4: To work with South Norfolk District Council and other interested local authorities to develop a proposal for an Eastern Region Approved Inspector Company, that will interact with the Cambridgeshire and Bedfordshire Local Authority Building Control cluster.

- 3.23 The work on the Approved Inspector was also part of the Eastern Region Partnership offer but similar to the IT is being led and developed by South Norfolk. It is not clear how this will be taken forward by the proposed Shadow Board at this stage.
- 3.24 As such our recommendation is to focus our resources in setting our Shared service (Huntingdonshire and South Cambridgeshire and potentially also Cambridge City) and defining and strengthening our own offer. This will position us for assessing the viability of any Approved Inspector proposal by the Eastern Regional Partnership or any others.

4. Summary of recommendations and outcomes

- 4.1 There is a clear business case for the shared service between Huntingdonshire and South Cambridgeshire Councils, the key drivers are cost saving of in excess of £100,000 per annum and that the additional resilience will strengthen quality of service and enable us to generate additional income amounting to £60,000 per annum.
- 4.2 Whilst we need to do detailed work with Cambridge City on their business case, our initial view is that their joining the Shared Service will create more efficiencies and also strengthen the overall Building Control offer, enabling us to compete effectively in a competitive market place.
- 4.3 The recommended two stage approach to setting up the shared service will enable us to start shaping the service in accordance with the principles set out in Appendix B and by putting in some of the supporting measures such as the IT shared platform at an early stage which enable us to achieve some savings as early as 2015/16.

4.4 Other anticipated outcomes include:

- Enhancing customer service, we will consult with our customers and modify shared processes accordingly. A larger team will free up time to work on initiatives to refine the service offer and undertake targeted marketing such as joint marketing with other complimentary Services.
- Moving to a shared IT platform within the wider shared service context across the two and potentially three councils will lead to savings in management, hardware, software and services and support costs.
- Staff development – a larger service will increase the opportunity for staff development and exposure to a more diverse range of work. We will strengthen our personal development programme for this service in consultation with staff.
- Staff recruitment/retention – greater work opportunities should improve staff retention and help to reduce turnover. A larger shared service could provide increased opportunity to consider participating in a higher apprentice training scheme (growing our own).
- Opportunity to strengthen leadership and alignment with other complimentary services, including for the delivery of large development sites.

5. **Proposed next steps & timeframes**

- 5.1 As outlined above a phased approach to the implementation of the Building Control Shared Service will enable early efficiencies to be secured. It would be advantageous to put a shared service manager arrangement in place to shape implementation of the service from an operational perspective. This may be on an interim basis in the first instance.
- 5.2 In accordance with shared principles approved by Cabinet in October, staff will be seconded to the Lead Authority for the Shared Service. Locations for the teams will be confirmed in Spring 2015 depending on the outcome of the business case.
- 5.3 Depending on the outcome of the business case a structural review may be required as part of Phase 2 of the implementation process. Staff will be consulted appropriately at each stage in the process, in addition to monthly briefings which are currently taking place.
- 5.4 These, other steps and approximate timeframes for each Phase are as follows:

Phase 1: Shared Service- South Cambridgeshire and Huntingdonshire & Business case for Cambridge City joining

Outcome	Date
Cabinet report: Shared service South Cambridgeshire and Huntingdonshire Councils	Nov 2014
Confirm shared service implementation management arrangements	Nov – Dec 2014
Develop Cambridge City Business case	Dec – Feb 2015
Staff Consultation - South	January – Feb 2015

Cambridgeshire and Huntingdonshire Councils	
Confirm Phase 1 shared service arrangements	Early March 2015
Implementation of Phase 1 shared service arrangements	March – end April 2015

Phase 2: Shared Service- South Cambridgeshire, Huntingdonshire & Business Cambridge City

Outcome	Date
Initial Cambridge City Staff Consultation	March 2015
Decisions by all 3 Councils on BC shared service	April 2015
Staff consultation – implementation measures with city joining shared service including any secondments to preferred Service location	May 2015
Implementation of shared service at agreed location (s)	July – August 2015
Shared Service structural review (if required)	September – December 2015

6. Capacity & set up Requirements

- 6.1 Project management support for the project has been provided since May 2014. It is recommended that management arrangements are put in place at the earliest opportunity to support the implementation of the shared service and to ensure that any impacts on service delivery are minimised as a result of the change.
- 6.2 In line with the October 2014 Cabinet decision, Transformation Challenge Award Funding can be used for
- overall project management/co-ordination;
 - interim and permanent shared posts to ensure momentum and the early delivery of efficiencies/additional income
 - shared training programmes;
 - ICT harmonisation unto the shared platform

7. Member Governance Arrangements

- 7.1 It was agreed in July that overall progress would be overseen by a joint steering group involving Leaders, and relevant portfolio holders where appropriate, reporting back to the respective Cabinets and other decision-making bodies.
- 7.2 In addition, portfolio holders from each authority will also need to be involved in overseeing performance once specific shared services have been established.

8. Financial Implications

- 8.1 The delivery of shared services will require additional capacity & funding of approximately £100,000 in 2014/15 for Phase 1 in order to ensure effective delivery. However it is anticipated that this will be funded by the Transformation Challenge Award and costs will be minimised wherever possible.

9. Legal

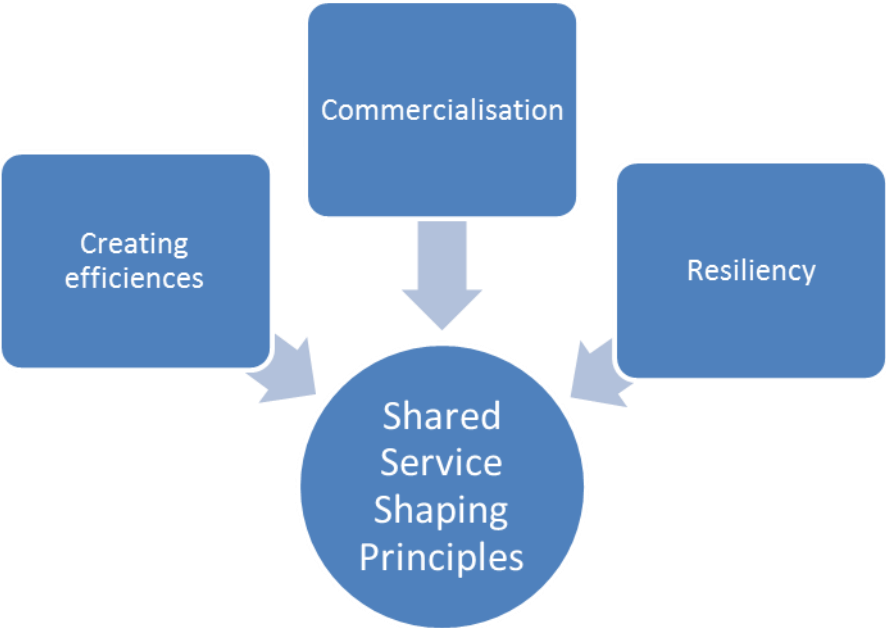
- 9.1 Any legal implications will be addressed as part of outline business cases as they are brought forward.

10. Staffing

- 10.1 Whilst moving to shared services creates uncertainty for staff, it will also help to ensure greater capacity and resilience together with enhanced career opportunities. In the longer term, this will help to provide better job security and to minimise the need for compulsory redundancies.
- 10.2 As part of the process, it will be important to ensure full engagement and consultation with both staff and trade unions moving forward. The lead HR officers from all three Councils are currently working together to ensure a co-ordinated approach. Monthly staff briefings with staff from Huntingdonshire and South Cambridgeshire staff have been undertaken and will continue throughout this process. Separate briefings will take place for City staff until the work has progressed sufficiently on the business case.

11. Risk Management

- 11.1 A dedicated risk log has been set up for the Shared Services Project Board to ensure that risks are identified and managed. In addition, specific operational risks will be identified and managed through the business plan process.



Phase 1: Building Control Shared Service (HCD & SCDC) Shaping and Supporting Principles

